

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 126 – SB 222

February 12, 2013

SUMMARY OF ORIGINAL BILL: Limits punitive damages, Tenn. Code Ann. § 29-39-104, in cases concerning vicarious liability for the acts or omissions of an agent or employee.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003064): Replaces “subdivision” in Section 1(g)(2) of the bill with “subsection.”

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The bill limits punitive damages against a principal or employer to when the finder of fact finds: the agent or employee was employed in a “management capacity” acting within the scope of employment; the principal or employer was reckless in hiring, retaining, supervising, or training the agent or employee and that the recklessness was the proximate cause of the act or omission that caused the loss or injury; or the principal or employer authorized, ratified, or approved the act or omission that caused the injury or loss.
- The bill defines “a person employed in a management capacity” as an employee with authority to set policy and exercise control, discretion, and independent judgment over a significant scope of the employer’s business.
- According to the Administrative Office of the Courts, this would affect the law applied in cases before the state trial and appellate courts. However, the change in legal application would not have a significant effect on the caseloads of the state courts.
- There will be no significant fiscal impact on the state or local governments.

HB 126 – SB 222

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" and last name "Geise" clearly distinguishable.

Lucian D. Geise, Executive Director

/trm